

*Partial Listing*



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(12) **United States Patent**  
Baker

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(54) **METHOD AND SYSTEM FOR ELECTRONIC EXCHANGE OF TAX INFORMATION**

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**Related U.S. Application Data**

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(51) Int. Cl.<sup>7</sup> ..... **G06F 17/60; H04K 1/00**

(52) U.S. Cl. ..... **705/31; 705/1; 705/30;  
380/24**

(58) Field of Search ..... **705/31, 1, 30;  
380/24**

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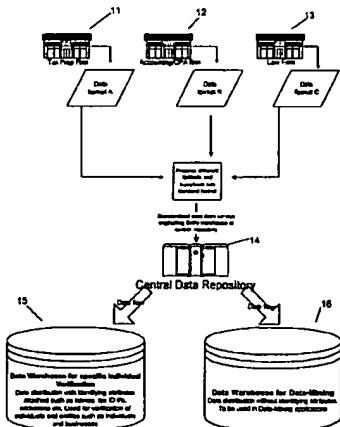
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(57) **ABSTRACT**

A communication link is established between a first processor and a receiving processor located at a central data repository. Tax return information in electronic form are then downloaded to the central data repository. The electronic tax information is then converted into a new standard electronic document having a standard format. The new standard electronic document is then sent into a first database where it is sorted and stored with the other standard electronic documents. A first copy of the standard electronic document is then sent through a filtering process in which all the data fields containing identifiable data such as names, social security codes, identification numbers, and street address are removed creating an electronic data mining document. The electronic data mining document is then sent to a second database where the data mining document is sorted and stored with other electronic data mining documents.

**28 Claims, 3 Drawing Sheets**



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DOCUMENT-IDENTIFIER: US 6567789 B1

TITLE: Method and system for electronic exchange of tax information

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TITLE - TI (1):

Method and system for electronic exchange of tax information

Brief Summary Text - BSTX (9):

With the advent of electronic methods of filing income tax returns and with the advent of technologies which can convert the contents of a tax document into an electronic file, more and more tax information is stored in its electronic form. Most tax preparation firms, accounting firms and law firms currently maintain their own databases of tax information. However, these databases are not typically linked or shared, isolating the information stored in each individual database. Furthermore, there is no current standard format for the electronic storage of this tax information making the evaluation of this tax information from different databases quite difficult.

Brief Summary Text - BSTX (28):

In order to obtain copies of the information stored within the first or second database, a request is submitted by a party for the release of tax information. Tax information is released to a third party in one of two ways. If the tax information requested requires that the identifiable data be included, such as requests for past income tax returns in order to submit to a lending institution for loan verification, an authorization from the owner of the tax information must be submitted with the request in order for the request to be carried out. The information is then searched for and copied from the first database by an output processor means.

Brief Summary Text - BSTX (29):

If the tax information requested does not require identifiable data, such as

requests for bulk data in order to perform data mining operations, the request will include specific criteria which the tax information must satisfy in order to be released. The output processor means then searches the second database and copies all the tax information which satisfies the criteria.

Brief Summary Text - BSTX (30):

The format in which the tax information is to be delivered and the location to which the information will be delivered to is also included in the request. Once the requested tax information is gathered, the output processor initiates the delivery of this information.

Detailed Description Text - DETX (8):

Referring to FIGS. 2 and 3, in order to obtain information from the central data repository 14, a request 20 is submitted by a party for the release of requested tax information. The request 20 will typically include authorization for the release of the requested tax information, the criteria for the data to be selected, the format in which the requested tax information is to be delivered, and the destination to which the requested tax information will be delivered.

Detailed Description Text - DETX (9):

Requested tax information is released to a third party in one of two ways. If the requested tax information requires that the identifiable data be included, such as requests for past income tax returns to submit to a lending institution for loan verification, an authorization from the owner of the tax information/taxpayer must be submitted with the request 20 in order for the request to be carried out. If there is authorization and after the authorization is authenticated, the information is then searched for and copied from the first database 15 by an output processor means 21. If the tax information requested does not require identifiable data, such as requests for bulk data in order to perform data mining operations, the request will include specific criteria which the tax information must satisfy in order to be released. The output processor means 21 then searches the second database 16 and copies all the tax information which satisfies the criteria.

Detailed Description Text - DETX (10):

Once the requested tax information is gathered, the output processor 21 initiates the delivery of this information. The tax information may be printed

out and sent via mail, but in the preferred embodiment, the tax information is formatted according to the request and downloaded directly into a requesting processor specified in the request.

Claims Text - CLTX (1):

1. A method for the electronic exchange of tax information which allows for easy access to the tax information without compromising the confidentiality of the electronic tax information owner/taxpayer, the method comprising: downloading tax information from various sources of tax information; storing the tax information into a first database; removing the identifiable characteristics out of the tax information creating an electronic data mining document; storing the electronic data mining document into a second database; receiving a request for requested tax information; determining whether the requested tax information has identifiable characteristics necessitating that the requested tax information be obtained from the first database or no identifiable characteristics necessitating that the requested tax information be obtained from the second database; copying the requested tax information from the first database or the second database; and delivering the requested tax information.

Claims Text - CLTX (3):

3. The method for the electronic exchange of tax information in claim 1 wherein the step of delivering the requested tax information is accomplished by transmitting the requested tax information to a requesting processor.

Claims Text - CLTX (19):

19. The system in claim 18 further comprising a first output processing means, the first output processing means having a communication link with the first and second database, means for obtaining a copy of a particular standard electronic document within the first database, and a means for transmitting the particular standard electronic document to a requesting processor.

Claims Text - CLTX (21):

21. The system in claim 20 wherein the output processing means has a communication link with the second database and a means for selecting data mining documents within the second database which satisfy a criteria based request, and a means for transmitting the plurality of data mining documents to a requesting processor.

Claims Text - CLTX (22):

22. The system in claim 21 further comprising a request processing means, the request processing means having a communication link with the output processing means, the request processing means receiving requests for tax information.

Claims Text - CLTX (25):

25. A method for the electronic exchange of tax information without compromising the confidentiality of the electronic tax information owner/taxpayer from a central data repository with a first database having tax information with identifying data and a second database having tax information with no identifying data, the method comprising: receiving a request to deliver tax information, the request having a set of criteria determining requested tax information to be delivered and a destination for the tax information; determining whether to obtain the requested tax information from the first database or the second database; retrieving the requested tax information from either the first database or the second database; and delivering the requested tax information to the destination.

Claims Text - CLTX (26):

26. The method for the electronic exchange of tax information in claim 25 wherein the step for determining whether to obtain the tax information from the first database or the second database includes the steps of determining whether identifying data is required in the tax information requested and determining whether there is sufficient authorization to proceed.

Claims Text - CLTX (27):

27. The method for the electronic exchange of tax information in claim 26 wherein the step of retrieving the requested tax information includes the steps of determining what tax information satisfies the criteria given in the request and determining where in either the first database or the second database is the requested tax information located.

Claims Text - CLTX (28):

28. The method for the electronic exchange of tax information in claim 27 wherein the step of delivering the requested tax information to the third party includes the steps of establishing a communication link to a requesting processor and directly loading the tax information into the requesting processor.

Current US Original Classification - CCOR (1):  
705/31

Current US Cross Reference Classification - CCXR (1):  
705/1

Current US Cross Reference Classification - CCXR (2):  
705/30